

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6909**

**BILL NUMBER:** HB 1191

**NOTE PREPARED:** Dec 28, 2004

**BILL AMENDED:**

**SUBJECT:** Internet Gambling.

**FIRST AUTHOR:** Rep. Denbo

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill makes Internet gambling a Class B misdemeanor. The bill also makes committing or promoting professional gambling through the Internet a Class D felony. It requires an interactive computer service to:

- (1) discontinue its service if notified by a law enforcement agency that the service is being used to promote professional gambling; and
- (2) block access to a site used to promote professional gambling.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** The bill would add Internet gambling to the definitions involved in unlawful gambling, a Class B misdemeanor. The bill would also expand the definition of professional gambling and promoting gambling, both Class D felonies, to include using the World Wide Web to engage in the prohibited acts.

Commitment data for the Department of Correction (DOC) indicate that between FY 2000 and FY 2004 no offenders were committed to a DOC facility for either professional gambling or promoting gambling. There are no data available to indicate if the commitment of offenders to state facilities would change as the result of changes to the definition. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$21,514 in FY 2004, ranging from a low of \$16,645 to a high of \$49,281. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825

annually, or \$5 daily, per prisoner. The estimated average cost of housing a juvenile in a state juvenile facility was \$59,574, with the costs ranging from a low of \$52,420 to a high of \$77,674. The average length of stay in DOC facilities for all Class D felony offenders is approximately ten months.

**Explanation of State Revenues:** If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000 and for a Class D felony is \$10,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Department of Correction.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Indiana Sheriffs' Association, Department of Correction.

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